



## Background

Congressman Blumenauer has met with hundreds of constituents and dozens of small business people over the summer to discuss what challenges and concerns are first and foremost in their minds. One common theme that continues to emerge repeatedly is the price American families and small businesses continue to pay from the near collapse of our economy.

New examples have emerged of harmful manipulation and potentially illegal activity by Wall Street, Washington, D.C., and Fleet Street in London. Financial interests continue their assault on even the modest reforms in the Dodd-Frank financial legislation protections for consumers and the financial system itself.

On the campaign trail, some politicians even have the gall to call for less protection and a return to faulty system based largely on banks self-regulating that nearly brought the global economy to its knees. At the same time, the Republican Party's response to the challenges of the mountain of student debt is first to reduce Pell Grants that help make college affordable for lower income students. They would help fewer student borrowers, and instead help bankers by forcing students into costlier, private loans.

## Solution

There are actions Congress can take to enforce and implement the reforms and restraints on Wall Street and protect direct, lower-cost lending to college students. There are also actions that will inject a little more competition in the financial market place.

For millions of Americans this competition to the big banks comes in the forms of credit unions that are on the scale of community banks. Most credit unions are small to medium sized, very local, and non-profit, with a volunteer, membership board of directors who live in the communities they serve. Credit unions are currently prohibited from lending more than 12.25% of their total assets. I support proposed legislation that raises this lending cap to 27.5%, which is ideal for small business lending. With our support and the freedom to lend and grow, credit unions will be able to compete with big banks and become a viable alternative for borrowers, large and small.

It wasn't the credit unions from Main Street that brought the economy to its knees; it was the Wall Street gamblers and, too often, cheaters. Congressman Blumenauer believes that they should not be rewarded for skirting or breaking the law. Instead, Congress should give small businesses a boost by giving the big commercial banks a little competition.

Passing H.R. 1418, the Small Business Lending Enhancement Act of 2011, would send a strong signal that we truly want competition in the financial arena, that actions have consequences, and that small and emerging businesses are our priority. Congress should give businesses more choices for the financing they need and help credit unions get more capacity to meet that need.

[<Previous Idea](#)

Next Idea>

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